

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 15805
[REDACTED],)	
)	DECISION
Petitioner.)	
_____)	

On June 11, 2001, the staff of the Tax Discovery Bureau of the Idaho State Tax Commission issued a Notice of Deficiency Determination to [Redacted] (taxpayer), proposing income tax, penalty, and interest for the taxable year 1996 in the total amount of \$6,876.

On August 13, 2001, the taxpayer filed a timely appeal and petition for redetermination. The taxpayer did not respond to the Tax Commission's hearing rights letter and has provided nothing other than what was provided with his protest letter. The Tax Commission, having reviewed the file, hereby issues its decision.

The Tax Discovery Bureau (Bureau) received information that the taxpayer received wages from an Idaho source. The Bureau researched the Tax Commission's records and found that the taxpayer did not file an Idaho income tax return for the year he received the wages. The Bureau sent the taxpayer a letter asking him about his filing requirement. The taxpayer responded that he was laid off at the end of 1996 and went into a severe depression. He stated he did not file that year and would be glad to correct the problem. He just did not know how to proceed. The Bureau provided the taxpayer with the necessary forms and instructions to file a 1996 income tax return; however, no return was provided. Therefore, the Bureau obtained additional information [Redacted] and prepared a return for the taxpayer.

The Bureau sent the taxpayer a Notice of Deficiency Determination. The taxpayer protested the Bureau's determination and provided a return for the Bureau to consider. The Bureau reviewed the return the taxpayer submitted and found that the taxpayer did not report all

his income to Idaho. The taxpayer stated he moved to Idaho on May 31, 1996. He stated only his Idaho income was reported to Idaho.

In 1996, the taxpayer received a distribution from his Washington employer, [Redacted]. The taxpayer stated this income was Washington source income. To make an accurate determination, the Bureau asked the taxpayer to provide documentation showing when he received the distribution. The taxpayer failed to provide anything. Therefore, the Bureau referred the matter for administrative review.

The Tax Commission sent the taxpayer a letter giving him two options for having the Notice of Deficiency Determination redetermined. The taxpayer did not respond. The Tax Commission sent the taxpayer a follow-up letter and still the taxpayer did not respond. Therefore, the Tax Commission decided the matter based upon the information available.

The taxpayer moved to Idaho sometime in 1996. The Bureau's concern was when the taxpayer received the distribution from [Redacted]. If the taxpayer received the distribution after moving to Idaho, the distribution was reportable to Idaho. Idaho Code section 63-3002 states that a tax is imposed on residents of Idaho measured by Idaho taxable income wherever derived. Therefore, when the taxpayer moved to Idaho all income received after that date is reportable to Idaho regardless of its source.

The taxpayer failed to provide documentation showing when he received the distribution from [Redacted]. The taxpayer stated he moved to Idaho on May 31, 1996. However, the information the taxpayer completed on his voter's registration card showed he could have been in Idaho as early as April 5, 1996. Without the documentation, the Tax Commission has no idea when the taxpayer received the distribution. The Bureau attempted to get the information from third parties but was unsuccessful.

Since the taxpayer has not provided documentation to support the exclusion of the distribution from Idaho taxable income, he has not met his burden of proof. Albertson's, Inc. v. State, Dept. of Revenue, 106 Idaho 810, 814, 683 P.2d 846, 850 (1984). Therefore, the Tax Commission finds the distribution was properly included as Idaho taxable income.

Wherefore, the Tax Commission finds the taxpayer's return should be modified to show the distribution from [Redacted] as reportable to Idaho. The Tax Commission finds further that interest and penalty should be added to the taxpayer's return in accordance with Idaho Code sections 63-3045 and 63-3046.

WHEREFORE, the Notice of Deficiency Determination dated June 11, 2001, is hereby MODIFIED, in accordance with the provisions of this decision and, as so modified, is APPROVED, AFFIRMED, and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that the taxpayer pay the following tax, penalty, and interest:

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
1996	\$2,650	\$663	\$1,217	\$4,530

DEMAND for immediate payment of the foregoing amount is hereby made and given.

An explanation of the taxpayer's right to appeal this decision is enclosed with this decision.

DATED this ____ day of _____, 2003.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that on this ____ day of _____, 2003, a copy of the within and foregoing DECISION was served by sending the same by United States mail, postage prepaid, in an envelope addressed to:

[REDACTED]

[Redacted]
